Campbell Johnston Clark
CJC EXCHANGE

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CJC Exchange is a weekly newsletter from **Campbell Johnston Clark**, incorporating with kind permission from **Gibson Shipbrokers** the most recent issue of the Gibson Sale & Purchase Market Report. A blend of market intelligence and relevant industry news, CJC Exchange is distributed free of charge to parties on the CJC mailing list who have given permissions to receive S&P updates from CJC. CJC Exchange is available to new subscribers here.

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Gibson Sale & Purchase Market Report

GIBSON SHIPBROKERS

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Tankers – Teenagers Run Wild

Week after week we are seeing the aframax market deliver interesting sales and if rumours hold true, we understand the dirty trading LR2 "LILA FJAIRAH" (113,849 dwt/blt 2007 Daewoo) has been sold for a solid US$27.5m, despite having no heating, high consumptions and Special Survey due in October. It's unclear who may have purchased the vessel, but the sale represents a substantial margin against her purchase in April for US$17m, epitomizing just how far aframax values have climbed since the spring and threatening parity with their larger suezmax cousins, contrasting the sale of "RIDGEBURY CAPTAIN DROGIN" (166,468 dwt/blt 2007 Hyundai) at a price around US$29m with a similar Special Survey, but buoyed by prized Ice 1A notation.

The VLCC sector has yielded another intra-Korean VLCC sale with the scrubber fitted "G. DREAM" (299,945 dwt/blt 2022 Hyundai Samho) at US$108m to HMM, following their purchase last week of the scrubber fitted "C. GUARDIAN (300,300 dwt/blt 2019 Daewoo) at US$98m. Many would argue the domesticity of the deals does not reflect worldwide price expectations, though it remains for an export deal to be concluded to cement new benchmarks, although we hear much higher numbers being offered in the market for resale tonnage and indeed closer to newbuilding pricing levels. In the vintage arena, there are reports that the twenty-year-old "TSURUSAKI" (300,838 dwt/blt 2002 IHI) has been sold with a prompt Special Survey due date for as high as US$33m, although US$31.6m has also been reported. Either way, the sale represents maturity on similar June/July sales around US$29-29.5m, with the price of the last sold "ABQAIQ" (302,986 dwt/blt 2002 Samsung) still remaining elusive.

Dry Cargo – Slow and Steady

The BDI gave little reason for cheer this week, breaching the 1000-point marker for the first time since June 2020, with capes being the main driving factor and the average of the five main capesize index routes struggling to rise much above US$5,000 per day. This lacklustre performance has had obvious knock-on dampening effects on the second hand S&P markets, with only a handful of fixtures to report, mostly in the handysize space, and mostly still for older tonnage, with the exception of the sale of the **"FORTUNA"** (83,353 dwt/blt 2010 Sanoyas), which offered a new (albeit broadly in line) benchmark for ca. ten-year-old panamax/ kamsarmax tonnage. Prospective buyers and sellers will both be keen to see which direction markets take in the coming weeks to see if the current freight rate environment represents the "new normal" or just a momentary pause before the next spike.

Newbuilding – Second-Hand Drives Newbuilding...

Some welcome activity/benchmarking for tanker newbuildings with suezmaxes reportedly committed at Daehan for end 2024 at region US$73-74m. Whilst pricing is not where many would like to see, it remains very challenging to find value in the modern second-hand market. Furthermore, record pricing for vintage tankers goes someway to reinvesting in newbuildings and taking the edge off perceived high nominal pricing. As we have said before it is hard to see how second-hand values on tankers will fall anytime soon and so we are optimistic that tanker newbuilding activity will pick up.

Bulker newbuilding enquiry is flat reflecting the general fall/mood in the market. Newbuilding pricing has come off, but not to the same extent that sentiment has in the general market. However, the orderbooks are not at alarming levels and modern second-hand pricing remains high so if the market pulls back up we may see ordering resume. Oshima Shipbuilding's purchase of the ex-Mitsubishi owned Koyagi facility and stated intention to construct eco capesize for projected 2025 deliveries seems testament to this forward logic, despite the current capesize market languishing in the doldrums.

Recycling – Domestic Disruptions

Not much has changed in the past week as LC issues continue to persist in Bangladesh as almost a dozen ships wait outside for their letter of credits before they can be beached. Meanwhile, Indian steel markets weakened a little this week but, overall, there still is a healthy demand and Alang remains the hottest destination for recycling at the moment.

The floods in Pakistan have hampered many livelihoods and major industries, which comes at a terrible time while the country is going through a financial crisis. International aid is now carefully being used to help repair the damage caused by the flooding and to try to stabilise the economy.

The lack of tonnage combined with weak freight markets in dry & container has given hope to recyclers that a few more candidates could be coming in Q4 of the year.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price ($/m)	Notes
BULKERS						
FORTUNA	83,353	2010	Sanoyas (JPN)		23.5	SS psd 5/21. BWTS fitted.
BEI LUN 6	43,665	1989	Tsuneishi (JPN)	Chinese buyer	3.5* (RMB 23.9)	*Auction sale.
SINGAPORE SPIRIT	32,259	2002	Saiki (JPN)		11.3	Open hatch. SS psd 2/22. BWTS+logs fitted.
KINATSI	18,901	2007	Yamanishi (JPN)	Divina Shipping & Trading	10.3	SS psd 12/21. BWTS fitted. Already renamed.
TANKERS						

TSURUSAKI	300,838	2002	I H I (JPN)	Greek buyer	31.6 / 33	SS due 9/22. Already renamed.
G.DREAM	299,945	2022	Hyundai Samho (KRS)	HMM	108	Tier III. BWTS+Scrubber fitted.
RIDGEBURY CAPTAIN DROGIN	166,468	2007	Hyundai Ulsan (KRS)	Greek buyer	REG 29	Ice 1A. SS+BWTS (can novate) due 10/22.
LILA FUJAIRAH (ex-WAFRAH)	113,849	2007	Daewoo (KRS)	Undisclosed buyer	27.5	Coated. Trading dirty. Uncoiled. SS due 10/22.
CELSIUS EVERETT + CELSIUS ESBJERG	113,020	2008+2009	New Times (CHN)	Undisclosed buyer	64 en bloc	Coated. SS due 10/23 + 10/24. BWTS fitted.
ARISTOS	74,999	2006	Onomichi (JPN)	Undisclosed buyer	21	Pumproom. SS psd 12/21. BWTS fitted.
ENERGY CHALLENGER	70,675	2007	STX Jinhae (KRS)	Undisclosed buyer	16	Deepwell. Trading dirty. DD+BWTS due 10/23.
GLENDA MELANIE + GLENDA MERYL GLENDA MELODY + GLENDA MELISSA	47,200 47,200	2010+2011 both 2011	Dalian No. 2 (CHN) Hyundai Mipo (KRS)	d'Amico Tankers	109.6 en bloc	Buy-out of 50% JV deal.
NCC RABIGH + NCC SUDAIR	46,000	both 2007	Hyundai Mipo (KRS)	Turkish buyer	low 16 each	Zinc coated. SS due 8+10/22.
BALTIC MONARCH	37,273	2006	Hyundai Mipo (KRS)	Undisclosed buyer	15.1	Ice 1B. Deepwell. Trading dirty. SS psd 9/21.
ATLANTIK MIRACLE	11,321	2008	Selah (TRK)	Turkish buyer	7	Ice 1A. Epoxy. SS psd 5/21.
CONTAINERS / RO-R4O / REEFER / PCC						
VERMONT TRADER	67,698	2004	Hanjin HI (KRS)	RCL	37	4992 TEU. Gearless. DD due 10/22.
PINARA	23,287	2004	Guangzhou Wenchong (CHN)	Akar Deniz Tasimac	20.2	1740 TEU. Geared.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price ($m)	Notes
BULKERS						
U-Ming Marine Transport	Handysize	64,000 dwt x 2	New Dayang (CHN)	2024-2025	34	EEDI 3.
Doun Kissen	Handysize	40,000 dwt x 4	Jiangmen Nanyang (CHN)	2025	30	
Shanghai Junzheng Shipping	Mini bulker	11,300 dwt x 2	Chuangdong (CHN)	2024		EEDI 3.
CONTAINERS / RO-RO / REEFER / PCC						
Seasspan	PCTC	8,600 CEU x 3	CSSC yards (CHN)	2024		LNG dual fuel. Against TC to Cosco Specialized Carriers.
Elbdeich Reederei	Containership	1,400 TEU x 2	Penglai Jinlu (CHN)	2024		LNG ready.
GAS (LNG / LPG / LAG / CO2)						
Anhui Changjiang	LNG Bunkering	14,000 cbm x 1	Hudong Zhonghua (CHN)	2024	xs 70	Domestic Chinese trade.

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price ($/lwt)	Notes
CAPESIZE						
STAR TIANJIN	2004 / China	174,000	23,685		600 net	asis whereis Vizag

Recycling Prices (US$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	565/575	555/565	550/560	250/260
Dry Cargo/Bulk/Tween/Gen Cargo	550/560	545/555	540/550	240/250

Newbuild and Second Hand Benchmark Values *($ million)*

Historical Average Values *($ million)*

Vessel Type	New Building	5 Year Old Vessel (Built 2017)	10 Year Old Vessel (Built 2012)	10 Year Old Vessel~ (10 Years Average)	% Difference Present Vs Historical
Tankers					
VLCC	120	85	59	45.2	30.4%
SUEZMAX	80	59	43	32.3	33.3%
AFRAMAX	65	54	39	24.0	62.6%
MR	43.5	40	29	17.6	64.9%
Bulkers					
CAPESIZE	64.5^	50 eco	32	23.4	36.5%
KAMSARMAX	37.5^	33.5	25	16.0	56.1%
ULTRAMAX / SUPRAMAX	34.5^	32	22.5	13.9	61.9%
HANDYSIZE	30.5^	27.5	19.5	11.2	73.6%

^ = Chinese price (otherwise based upon Japanese / Korean country of build)
~ = Basis standard contemporaneous DWT/spec for each type.

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CJC Market News

Campbell Johnston Clark (CJC) is a medium-sized international law firm advising on all aspects of the shipping sector, from ship finance to dry shipping and comprehensive casualty handling, and all that happens in between. Today, we have offices in London, Newcastle, Singapore and Miami.

Singapore to Utilise Dedicated 5G Network over Port by mid-2025

On Tuesday, Senior Minister of State for Transport and Finance Mr Chee Hong Tat announced that Singapore will be aiming to achieve full 5G coverage in anchorages, fairways, terminals and boarding grounds in Singapore by the middle of 2025. The minister was speaking at this year's International Safety@Sea Conference and added that the island state is closer to having autonomous vessels in its waters with this development.

According to reports, a 5G network is expected to be 10 times faster than the current 4G networks being utilised. This increase in speed will allow for better real-time communication which will aid the implementation of autonomous vessels.

Reports by the country's Infocomm Media Development Authority announced that Singapore will be the first country in the world to extend a dedicated 5G network coverage to its seas.

The roll out of the 5G coverage will also aid concurrently with multiple projects which are in the pipeline for testing. For instance, one initial project is said to be focusing on the remote guidance of vessels in Singapore waters by pilots. By law, vessels of more than 300 GT, unless provided with pilot-exemption, are required to have pilots guide these vessels in Singapore waters. The authority stated that with real-time video steaming of the vessels which will be supported through the 5G network, it would be possible for pilots to guide the vessels remotely from an onshore control centre.

Other projects envisioned for the 5G test bed also include trials for maritime autonomous surface ships. The minister noted that such vessels are still being developed but anticipate that the sensors to be used on such vessels will generate huge amounts of data which a 5G network can cater to. Projects relating to delivery drones are also contemplated.

Southbound Tanker Blocks Traffic for More than 5 hours in Suez Canal

A 114,600 dwt Aframax tanker grounded in the Suez Canal on Wednesday, 31 August, after losing steering. The *Affinity V* became wedged diagonally across the navigational channel near Little Bitter Lake, blocking all traffic. The Suez Canal Authority (the 'SCA') have since reported that they were successful in re-floating the vessel after a 5 hour operation, allowing traffic flow to recommence, albeit at a much reduced rate.

Lieutenant-General Osama Rabie, head of the Suez Canal Authority, reported the tanker had "*a technical malfunction at the ship's rudder, which caused the loss* *of the ability to steer and strand the ship*". This happened at the 143 kilometre mark in the channel, which is very close to where the *Ever Given* became stranded in 2021.

AIS data currently shows the vessel is clear of the channel at the Suez New Port Offshore Terminal. The rescue operation involved five tugs which were immediately dispatched by the SCA upon receiving a report of the disabled vessel around 5 pm LT. Upon reaching the vessel, it took nearly five hours for tugs to pull her free of the bank and reposition her into the channel. An SCA tug then ran a lead tow line to guide the tanker south while three Svitzer tugs remained attached by lines at the stern to control vessel movement. The vessel was then able to make intermittent progress through the Canal before being deposited at anchor at the Offshore Terminal near Adabiya.

The *Affinity V* is a six year old vessel registered in Singapore. She is 828 feet long with a 36.7 foot draft. The vessel had reportedly offloaded her cargo in Portugal and was making her way to Saudi Arabia to reload her next shipment.

Beloved Humpback Whale Killed by Ship Strike off California

A 49-foot humpback whale that washed up on a Half Moon Bay beach most likely died from injuries sustained from a ship strike, according to experts with the Marine Mammal Center and the California Academy of Sciences.

"Fran" - named by an avid whale watcher after his wife - may well have been the most popular whale on the West Coast.

She had a unique white tail, which made her immediately identifiable, and she was known for breaching and spending time on the surface. The 49-foot whale was found on a beach at Halfmoon Bay on Monday and had spinal and skull injuries consistent with a ship strike, according to a marine biologist who participated in the autopsy.

Fran was known to whale-spotters off Mexico and California, and she returned to Monterey each year to feed. This year was the first time in many she had successfully borne a calf; the baby whale survived the incident.

Seven grey whales and three humpback whales have been found dead in the San Francisco Bay Area so far in 2022, according to officials from the center. Necropsies found that of those, one died from malnutrition, one died from suspected orca predation, four died from ship strikes, and four died from undetermined causes.

The press release can be read here.

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